

LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 6
June 1990

Unemployment Rate

Seasonally Adjusted
April*

ARIZONA	-	5.3%
Maricopa Co.	-	4.3
Pima Co.	-	4.1
United States	-	5.4

Consumer Price Index

U.S. - April 1990
Base = 1982-84

Wage Earner/Clerical Worker	-	127.3
% Chg. Year Ago	-	4.5
All Urban	-	128.9
% Chg. Year Ago	-	4.7

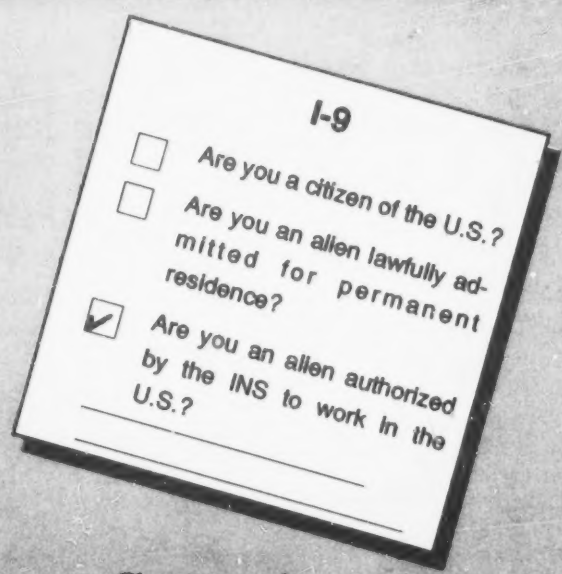
Phoenix - 1st Qtr 1990
Base = 1982-84

All Urban	-	131.5
% Chg. Year Ago	-	6.3

Tucson - 1st Qtr 1990
Base = 1982-84

All Urban	-	130.1
% Chg. Year Ago	-	3.9

* Preliminary



Employer Sanctions:

Good or Bad? What Have Been Their Effects?

When Congress enacted the Immigration Reform and Control Act of 1986 (IRCA), making 7 million American businesses responsible for hiring only "eligible workers" — or face possible criminal sanctions — legislators and other officials were aware of potential problems the law could cause.

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Reports Give Employer Sanctions Mixed Reviews

INS Credited for Taking Cautious Policy, But Fear of Fines Causing Discrimination

While the agency that enforces the employer-sanction provisions of the Immigration Reform and Control Act of 1986 (IRCA) has been moderately successful in policing the country's 7 million businesses, the threat of penalties against employers has caused a "widespread pattern" of discrimination, two recent reports have concluded.

Thirty months after IRCA went into effect the primary regulator of the employer-sanction provisions, the Immigration and Naturalization Service (INS), has proceeded cautiously in enforcement and "largely satisfied legal norms and averted broad political backlash from the regulated," says an Urban Institute and RAND Corp. report, *Enforcing Employer Sanctions: Challenges and Strategies*.

The study, which was released in April and took two years to complete, goes on to say, however, that the INS has suffered some growing pains during this period as it has changed from "a parliamentary and police agency into an investigative and educational organization." This metamorphosis has led to varying enforcement of policies across the country, wide fluctuations in fines, and an "overreliance on technical violations to meet production quotas," the report says.

The report, authored by Michael Fix and Paul Hill, evaluated INS enforcement on four levels: "establishing and sustaining the legitimacy of sanctions as a regime for regulating business"; satisfying legal issues relating to business regulation; the changing role of the INS; and regulating "a vast economic process" with limited resources.

Some of the findings of the Urban Institute/RAND Corp. report include:

- The INS "proceeded cautiously" in enforcement of employer sanctions, using an educational approach in the first 18 months of the law's existence, then concentrating on more technical violations — instead of criminal violations — relating to the filling out of employee-eligibility forms (I-9s)

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Enforcement in Arizona Follows Regional Pattern

Even though Arizona borders Mexico and has a large Hispanic population, for the most part the businesses and work force in this state have not experienced an abnormal amount of problems associated with the implementation of the employer-sanction provisions of the Immigration Reform and Control Act of 1986 (IRCA), say government and business officials, as well as immigration attorneys.

At the same time, enforcement of employer sanctions by the U.S. Immigration and Naturalization Service (INS) in the state, and in particular, metropolitan Phoenix, appears to have followed a pattern of other western and border areas that was revealed in a study by The Urban Institute and The RAND Corp. (see "INS Credited ...," this page).

But a "pattern of widespread discrimination" resulting from employer sanctions that was recently cited in a General Accounting Office (GAO) report might not be as severe a problem in Arizona as other areas, according to several officials and data from a report from the Office of Special Council for Immigration-Related Unfair Employment Practices (OCS) within the Justice Department, which is handling discrimination complaints related to IRCA.

"Our contact with employers has been generally positive," says Don Bergeron, an employer labor relations officer with the Phoenix District office of INS, which takes in all of Arizona — except for three western counties (including Yuma) — and Nevada. "Employers would be down on filling out employee eligibility forms (I-9s) to begin with, but eventually figured it was just one more piece of paperwork."

Few, if any, complaints by members of the

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- Penalties varied across INS districts and by regions of the country, which led to wide fluctuations in the number of NIFs (Notices of Intent to Fine) and the average amount of fines (see Table 2). In larger metropolitan areas and the northern and eastern parts of the country, the number of NIFs was smaller, but the amount of the fines was larger than in the southern and western regions.
- Enforcement practices varied by geographic region with some districts relying on a multi-stage "regulatory" style of action (primarily in the larger metropolitan areas), while other districts (particularly those near the border) used a "police model" approach where surveys or raids were conducted early in the investigation, then followed up by review of I-9s.
- Smaller and ethnic employers, in industries where illegal aliens have been historically hired, received a predominance of the fines — that's particularly true in the Phoenix metropolitan area — except in some of the larger cities where violations were cited across a variety of industries and against larger companies.
- Productivity of INS investigators was limited by inexperience, lack of funding for enforcing sanctions, and the inability to produce "knowing" infractions due to evasion tactics, such as use of false documents.

Table 1. Criminal and Civil Penalties for Violation of IRCA

Civil Penalties	
Violation	Fine Amount
Hiring or continuing to knowingly employ unauthorized employees (1st time)	Not less than \$250 and not more than \$2,000 for each employee
Same as above (2nd time)	Not less than \$2,000 and not more than \$5,000 for each employee
Same as above (3rd or more times)	Not less than \$3,000 and not more than \$10,000 for each employee
Failing to comply with record-keeping requirements	Not less than \$100 and not more than \$1,000 for each employee for which form was not completed or completed properly
Employers requiring bond or indemnity from an individual against liability under the law	\$1,000 or ordered to make restitution
Recruiting unauthorized seasonal agricultural workers outside the U.S.	Same penalties as for hiring unauthorized workers
Criminal Penalties	
Violation	Fine Amount
Engaging in a pattern or practice of knowingly hiring or continuing to employ unauthorized workers	\$3,000 per employee and/or 6 months imprisonment. Criminal sanctions reserved for serious or repeated violations
Engaging in fraud or false statements, or otherwise misusing visas, immigration permits, and identity documents	Imprisonment up to five years or fines or both
Source: Instructions for Completing Form I-9 (Employment Eligibility Verification Form), U.S. Department of Justice, May 1987	

A General Accounting Office (GAO) report, meanwhile, determined that IRCA's employer sanctions have led to discrimination against aliens and U.S. citizens who, for various reasons, employers believe are not eligible to work in this country. The GAO study, *Employer Sanctions and the Question of Discrimination*, was mandated by Congress when IRCA was passed to determine if widespread discrimination would result solely from the law.

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Arizona Chamber of Commerce appear to confirm Bergeron's analysis, although at least one industry group in the state — restaurants — has complained about its treatment (see below).

Howard Alexander, vice president of communications for the Arizona Chamber of Commerce, says his organization has not heard of a backlash from business in this state over employer sanctions. "It hasn't been a hot issue at this point," says Alexander, whose organization opposed the employer-sanction provisions when Congress drafted the legislation, following the lead of the U.S. Chamber of Commerce.

Marshall Whitehead, an immigration attorney in Phoenix, says "most employers (in Arizona) are trying to comply" with IRCA and that employer sanctions have had "some effect on illegal immigration" in Arizona. But, the attorney says, because the state "is very conservative, very enforcement oriented," and has relatively low wages, illegal immigration is much less of a problem in Arizona than in states such as California and Texas, making enforcement much easier. "Arizona is a trickle compared to Los Angeles. It's not a big pipeline," Whitehead says.

The head of the INS investigative unit of the Phoenix

District, Jack Weaver, contends that employer sanctions have had an impact in reducing the flow of illegal immigration because employers have had to increase wages in certain occupations to attract workers. As an example, Weaver says that he has been told that wages in Phoenix for busboys (dining room attendants) — an occupation that historically attracts illegal aliens — have increased from \$3.00 an hour in 1987 to between \$4.35 and \$4.70 an hour.

Data from the Arizona *Job Bank Wages* publications, however, do not show a dramatic rise in wages for dining room attendants. In August 1986, the average wage for dining room attendants that were solicited through Job Service offices in Phoenix was \$3.51 an hour, while in August 1989 the wage had increased to \$3.83 an hour.¹ And the legislative director of the Arizona Restaurant Association, Joe Banks, says that while "it's been a little more difficult to get dishwashers and busboys," wages for those occupations have not increased significantly.

Turning to the enforcement process, Bergeron says that after IRCA was passed the number of INS investigative agents in Arizona doubled from 10 to 20. For the first 18 months of the law, Bergeron says, most of those agents were involved in enforcement of IRCA's employer sanctions — primarily to educate businesses — but currently

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Some of those anticipated problems were: complaints about additional paperwork, confusion over what documents were necessary to be eligible to work, industry harassment (e.g., restaurants, hotels) by federal agencies investigating violations, and discrimination against workers that looked or sounded foreign or who lacked familiar worker-legibility documents.

Knowing this, Congress included several safeguards in IRCA in order to soften the blow on employers and to cut down on problem areas. First, the law was gradually phased in, and the agency primarily responsible for enforcing the employer sanctions, the Immigration and Naturalization Service (INS), was required to spend more than a year (November 1986 - June 1988) educating employers on how to properly fill out worker-eligibility forms (I-9s) and explaining what documents workers needed to prove their eligibility to work.

The INS also waited until after the education period — except in extreme cases — before issuing fines and was instructed to give warnings to first-time violators. Also, the Office of

Special Council for Immigration-Related Unfair Employment Practices (OCS) was set up within the Justice Department to investigate complaints of alleged employment discrimination — based on origin and citizenship status — that were caused by IRCA.

Nevertheless, with the first major reform in immigration policy since the early 1950s and having put the burden on employers to check for worker eligibility, it was inevitable that changes in the law would be necessary.

And several recent reports — two by the combined effort of The Urban Institute and The RAND Corp., and one by the U.S. General Accounting Office (GAO) — suggest revisions in IRCA's employer sanctions and the enforcement process. The reports focus on how the sanctions have impacted businesses, employees, the policing federal agencies, and illegal immigration.

In this month's *Arizona Labor Market Information Newsletter*, several articles review the findings of these reports, as well as look at the sanctions' effect in the state.

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The GAO used three criteria to come to its conclusions. The criteria included a review of federal agency implementation of IRCA; a review of complaints filed with federal agencies; and a survey of 9,400 employers, as well as a hiring audit of pairs of persons matched closely on job qualifications who applied for jobs with 360 companies in two cities.

The GAO concluded that "many employers discriminated because the law's verification system does not provide simple or reliable methods to verify jobs applicants' eligibility to work." But the report added that the amount of discrimination could be reduced "if employers were provided with more education on the law's requirements and a simple and more reliable verification system."

Some of the findings of the GAO report include:

- Due to IRCA, an estimated 461,000 (or 10 percent) of the 4.6 million employers in the survey population began one or more practices of national origin discrimination, usually based on a person's foreign appearance or accent.

... the most common form of alleged discrimination has been by employers not accepting qualified worker-eligibility documents.

—Susan Gunter
Attorney, Office of Special Council

- An additional 430,000 employers (9 percent) said that because of IRCA they began hiring only persons born in the United States or not hiring persons with temporary work-eligibility documents.
- Discrimination occurred across a variety of industries and "ranged by geographical location from 3 to 16 percent and were higher in areas having high Hispanic and Asian populations."
- A hiring audit in Chicago and San Diego showed that the foreign-appearing, foreign-sounding Hispanic member of matched pairs was three times more likely to encounter unfavorable treatment than the Anglo non-foreign-appearing member of the pairs.

Susan Gunter, a senior trial attorney with the Office of Special Council for Immigration-Related Unfair

Table 2. Number and Average Amount of Notices of Intent to Fine (NIFs) Assessed for I-9 Violations (As of March 31, 1989)

Site	NIFs	Avg NIFs
Chicago	11	\$45,545
New York	53	11,511
El Paso Dist.	21	6,645
Miami	22	5,385
Los Angeles	67	4,458
Pembroke Pine BP (Miami)	53	3,975
El Paso BP	99	3,900
Houston	53	3,865
Laredo	48	2,892
San Antonio	57	850
Phoenix	38	3,026

BP = Border Patrol

Sources: *Enforcing Employer Sanctions: Challenges and Strategies*, The Urban Institute and The RAND Corp., p. 81, March 1990; *Immigration and Naturalization Service, Phoenix District*, June 1990

Employment Practices (OCS), which was set up to investigate discrimination practices connected with IRCA, says that of about 1,000 complaints her office has received, the most common form of alleged discrimination has been by employers not accepting qualified worker-eligibility documents.

An example would be employers that insist on non-residents having a Resident Alien Card (formerly known as the green card), when other types of documents — social security card, drivers license — can be used as well. "An alien can present documents that a citizen can," Gunter says.

Because of the GAO report and the limited success of the employer sanctions as a tool to reduce the flow of illegal immigrants (see "Study: Illegal," page 7), the status of employer sanctions is still up in the air. But because Congress took no action during a 30-day period after the GAO report was issued (March 1990), no changes are forthcoming in the sanction provisions until at least later this year, says Joanna T. Stark, chairman of the Arizona chapter of the American Immigration Lawyer's Association.

RAND Corp. is a private, non-profit organization, based in Santa Monica, Calif., which is involved in research and analysis of issues affecting the nation's security and domestic welfare. The Washington D.C.-based Urban Institute is a private, non-profit research and education organization that analyzes social and economic problems and government policies.

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there are between 6 and 12 agents assigned to employer sanctions, primarily in the Phoenix area.

That total, however, does not include about five agents the Border Patrol, the chief policing arm of INS, has currently had assigned to investigate employer sanctions out of a Tucson office, down from about seven a few years ago. These agents are primarily working out of smaller Arizona towns (e.g., Nogales, Ajo) near the border. (The Border Patrol's function relating to employer sanctions, however, may be soon phased out, according to a recent story in the *Los Angeles Times*.)

In enforcing employer sanctions, the approach used by the Phoenix District Office of INS and the Border Patrol Sector Office in Tucson appears to fall within the parameters of other western and border states, as brought out in a study by the Urban Institute/RAND Corp. study, *Enforcing Employer Sanctions: Challenges and Strategies* (see "Reports Give," page 2).

Briefly, the report says that in the western U.S. and in border states the INS "used a more traditional "police" model in which a survey or raid was initiated early in the investigation, as opposed to a "multi-stage, regulatory" approach to enforcement emphasizing employer education and rights and document analysis. The "police" style of enforcement, the study says, also led to a greater number of Notices of Intent to Fine (NIFs), but smaller fine amounts.

Although the Phoenix District Office says it uses three sources of information for starting its investigations — leads, random selection, and targeted industries — by far, the vast majority of its NIFs have been lead-driven — tips, apprehensions of illegal aliens away from work — says Richard Perry, an investigative officer with the Phoenix District Office. "Everything we do is lead-driven," Perry says.

The acting director of the INS' Phoenix District, Patrick Kane, says, however, that "demographics" — not style of enforcement "play a major role in what the agents do." "We tend to have a lot of medium-size and small businesses," which reduces the number of violations and thus

the amount of fines, Kane says. And with smaller-sized businesses, "it's easier for agents to complete cases," which may account for the larger number of NIFs, the acting director says.

According to the Urban Institute/Rand Corp. study, INS policy allows for 60 percent of investigations to be lead-driven, with the other 40 percent coming from random selection and companies listed in targeted industries (e.g., hotels, restaurants). Bergeron and other INS officials in Arizona say they use all three methods, but did not give a percentage breakdown.

As for the fines, from late 1987 through March 31, 1989 — the time period used in the study — a total of 38 NIFs had been issued by the INS Phoenix District (not including its Border Patrol office) for the Phoenix metropolitan area with an average fine amount of about \$3,200. And through early June, the INS Phoenix District had issued 112 NIFs to Phoenix-area companies totaling nearly \$460,000, for an average fine of about \$4,100.

In both time frames, the average amount of each NIF in the Phoenix metropolitan area compares closely to other cities in the used (See Table 2, "Reports Give," page 5). As of late, Phoenix has been maintaining a steady

average of four to six NIFs a month, Bergeron says, and the average NIF in Phoenix since the beginning of the year has been about \$6,000.

One industry — both nationally and in Arizona — that has been unhappy with enforcement procedures used by INS is restaurants. Several managers of restaurants in the Phoenix area that received some of the larger NIFs for the district — \$4,000 to \$27,000 — complain they were fined for technical violations — such as a missing signature or a box that was not marked — were not given full educational visits, and employment records were returned in jumbled-up condition.

Penelope Miedaner, administrative director of the Arizona Restaurant Association, says, "Most members were given NIFs not because they had illegal aliens, but because they

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Study: Illegal Immigrants Partially Deterred by Sanctions

Employer sanctions imposed by the Immigration Reform and Control Act (IRCA) have only been partially effective in limiting illegal immigration, says a joint study by the RAND/Urban Institute Program for Research on Immigration Policy.

The report, released in April, looked at Border Patrol arrests, visa applications of countries from which large numbers of illegal aliens have entered the United States, and employment and wage trends in occupations that have used large numbers of undocumented workers. The data showed a less than 20 percent decline in the flow of undocumented immigrants resulting from employer sanctions over the past three years, according to the study, *The Effect of Employer Sanctions on the Flow of Undocumented Immigrants to the United States*.

"If the intent (of employer sanctions) was to generate a "large" decline in the flow, employer sanctions appear to have been unsuccessful and Congress may wish to weigh the cost of continuing the program against its current level of effectiveness," study's authors conclude. "If, however, the sanctions were designed to curb the rate of increase in the flow, the sanctions have probably been successful and Congress may wish to continue with the current law at current levels of enforcement."

The report points out that while border arrests, a barometer of illegal immigration, dropped sharply in fiscal year (FY) 1987, in FY 1988 the "downward trend in illegal flows appeared to reverse itself." And a major drop-off in arrests — 500,000 — in FY 1989 can be attributed to the 3 million aliens who took advantage of the IRCA's amnesty program.

The study also looked at applications for immigrant visas and political asylum, as well as business and tourists visas, on the theory that if IRCA is working then immigrant visas would increase while temporary visas — a traditional source of

Table 1. Average Wages and Wage Changes by City Type and Occupation (Correction for Sample Censoring Bias)

Time Period	Experimental		Control		Difference Stat. Significant
	Dish	Car	Dish	Car	
Sample size	116	79	89	55	(a)
1987	3.58 (.15)	3.22 (.12)	3.55 (.12)	3.55 (.10)	(a) (a)
1988	3.66 (.18)	3.42 (.10)	3.67 (.18)	3.62 (.14)	(a) (a)
1989	3.80 (.23)	3.63 (.24)	3.79 (.23)	3.81 (.37)	(a) (a)
Wage change (\$)					
1988-1987	.08 (.18)	.20 (.16)	.12 (.21)	.09 (.17)	Car: Yes Dish: No
1989-1987	.22 (.40)	.41 (.43)	.25 (.38)	.27 (.46)	Car: Yes Dish: No
Variance change (\$)					
1988-87	.03	-.02	.06	.04	Dish: No
1989-1987	.08	.12	.13	.17	Dish: No

Dish = Dishwasher; Car = Carwasher
(a) = Not applicable.

Source: *The Effect of Employer Sanctions on the Flow of Undocumented Immigrants to the United States*, The Urban Institute and The RAND Corp., p. 70, April 1990

illegal immigration — would decline. The report found an increase in waiting lists for immigrant visas in half of 16 countries that are regular sources of illegal immigration, indicating "legal immigration has become relatively more attractive since the law's passage." Also, the number of tourist and business visas declined in five of the 16 countries.

Finally, the study analyzed labor markets where undocumented workers tend to flock and says it did not find any changes in wages and employee demand in occupations primarily filled by undocumented workers, such as dishwashers or carwashers (see Table 1). "Any precipitous decline in the supply of undocumented labor should have shown up in higher-than-average increases in wage rates ... In neither case was this true," the report says.

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No Major Labor Shortages in State, DES Survey Concludes

There was "no major labor shortage" caused by the Immigration Reform and Control Act of 1986 (IRCA) — that's the major conclusion of a 10-month survey conducted by the Department of Economic Security's Research Administration, and Employment and Training Administration. The study was conducted between October 1988 and September 1989 and was released in May.

More than 10,000 companies were surveyed from 36 Standard Industrial Classification (SIC) categories, and more than 3,000 responded to a series of questions regarding possible labor shortages. Some of the questions were: Has the passage of IRCA resulted in your company experiencing a labor shortage? Do you expect a shortage within the next year due to IRCA? What methods do you use to recruit new workers? Do you want information on how DES can assist your company in finding workers?

The respondents were also asked to list occupations in which they believe shortages have occurred and record the corresponding severity (light, medium, or heavy).

Some of the findings of the survey include:

- 70 percent of reported labor shortages were in Maricopa and Pima counties.
- Occupations where respondents reported shortages most often were low-paying and required little experience and education (e.g. housekeeping cleaner, kitchen help, host/hostess).
- Respondents reported more than twice as many expected labor shortages (152) than they believe are presently occurring.
- Companies expecting a labor shortage had increased usage of DES Job Service by 25 percent.

DES is conducting until the end of September a follow-up survey on the same topic to determine if conditions have changed. Businesses that would like to participate in the survey can contact Anna Mendoza at 542-4029. Copies of the first survey are available by calling Research Administration at 542-3871.

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didn't fill the forms out right. One guy didn't have it filled out right for his daughter."

But Weaver takes issue with that claim. "We don't issue NIFs on so-called technical violations. Almost all of our cases that are fine cases, there were illegal aliens employed," he says.

The key element of whether a NIF was issued when illegal aliens were not employed, Weaver says, was the effect of errors and whether failing to complete a form would promote the hiring of illegal aliens. Weaver adds, "Failing to complete the form we take more seriously" than some employers.

The restaurant association also complains that their industry, which makes up more than 50 percent of the NIFs issued in the Phoenix metropolitan area, is being selectively persecuted. "Of course, we're being singled out," Miedaner says.

Weaver counters, however, that a "majority of leads have been in the service industry") and restaurants have a history of employing a large number of the illegal aliens in this country.

Besides restaurants, landscaping and maintenance companies also had a large percentage of NIFs, Bergeron says. The largest NIF in the Phoenix District — \$170,000 — involved three Las Vegas cab companies that hired illegal aliens and did not fill out I-9s, Bergeron says.

As a general rule, most of the NIFs are negotiated down from the original fine amount. "I find a disproportionate share of cases are settled out of court. Usually, the INS cuts (the fine) down and gives (businesses) time to make payments as a type of bargaining tool," says Joanna T. Stark, an immigration attorney and president of the Arizona chapter of the American Immigration Lawyers Association.

Bergeron and Kane admit that many NIFs are eventually settled at a lower amount, but the INS does not issue totals on how much the fines end up costing businesses. Bergeron does say, however, that 10 percent or less of all investigations in the INS Western Regional — which includes Arizona, California, Hawaii, Nevada, and Guam — end up with NIFs. Through last summer, of 4,800 investigations, 400 ended with NIFs, 700 ended

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The Arizona Labor Force in April

Arizona's seasonally adjusted unemployment rate rose two tenths of a percentage point to 5.3 percent in April, marking the fourth consecutive monthly increase. The state's unemployment rate, however, still remained below April's national rate of 5.4 percent.

Contributing to the rising unemployment rate was an 1,100 gain in the ranks of the unemployed. Typically, April has been a month when the number of unemployed drops in Arizona.

Total wage and salary employment grew 2,700 in April, not a particularly strong gain, but better than experienced the previous two years. What is of greater significance is the gain since April 1989.

Arizona has created 46,700 jobs in the past year, an increase of 3.2 percent. Compared with the national growth rate of 2.2 percent, the state continues to create wage and salary positions at a robust and healthy pace.

April is a month of change; change in the seasons and change in the employment mix among Arizona's geographic areas. Spring is a time when the snowbirds fly north, taking with them the cash that supports many service and trade positions in the metropolitan counties. It is a time when the conventioners' season comes to a close, leaving behind vacant hotel rooms and empty dining tables.

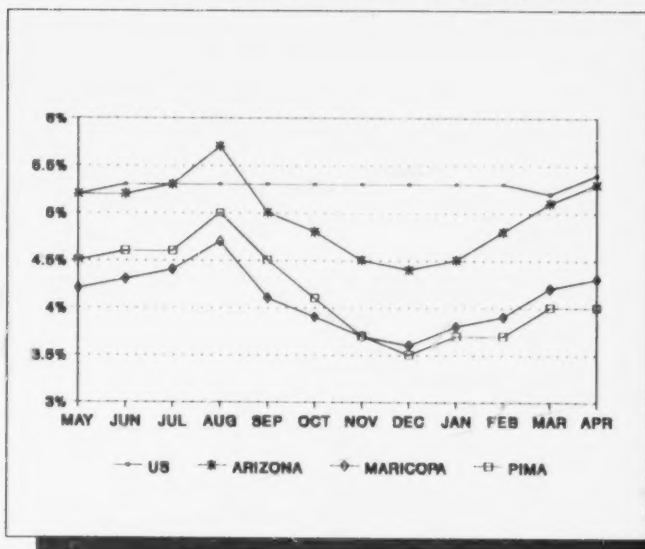
Spring is also a time when activity at the state's higher elevations increases. Northern counties and, in particular, Coconino and Yavapai counties, experienced strong wage and salary employment gains in April. Some of these additions can be attributed to tourism-related industries that exhibit annual seasonality, such as trade and services.

And robust growth has been a continuing occurrence for northern Arizona. The rate of job creation in the northern counties since April 1989 in all industries — with the exception of mining; and transportation, communications and public utilities (TCPU) — has outpaced that of the nation, Arizona, and the metropolitan counties.

For the state as a whole, April proved to be a rather uneventful month in the major industrial sectors. The only industry that had sizable employment gains was transportation, communications, and public utilities (TCPU). Manufacturing and mining were stagnant for the month.

Industries that had gains in April, but smaller than normal for past years, were: construction; finance, insurance, and real

Figure 1. U.S., Arizona, and Maricopa and Pima counties' Unemployment Rates, May 1989-April 1990



estate (FIRE); services; and government. Finally, trade lost employment in April.

Overall, manufacturing showed no change in employment in April, continuing the industry's lackluster performance of recent years. A gain of 200 in durable goods was offset by a similar loss in nondurable goods. In durable goods, aircraft and missiles gained 300 positions, 100 greater than seasonally normal. In nondurable goods, food and kindred products increased 100 when normally there is no change that month.

National and state surveys, however, indicate there may be some reason for optimism about Arizona's manufacturing sector. The purchasing managers index (national) rose in April for the first time in 11 months, and a recent survey of purchasing managers in Arizona showed some positive trends.

While past April gains have averaged 1,400 in construction, only 500 jobs were created this April. Pima County gained 300, with the nonmetropolitan counties accounting for the remaining 200. The large excess supply of buildings, coupled with no evidence of favorable interest rate swings on the horizon, guarantees a continued slump in construction.

TCPU was the bright spot in Arizona's economy this April, producing 600 jobs. Job gains were split equally between transportation, and communications and public utilities. Over the year, transportation has created 4,400 positions, growing at a fast-paced 11.0 percent. Most of these positions can be credited to airline expansion.

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	ARIZONA			Amount	Change
	Apr.* 1990	Mar. 1990	Apr. 1989	Mar. - Apr.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1714.6	1697.1	1715.0	+17.5	-0.4
Total Unemployment	86.9	85.8	90.7	+1.1	-3.8
Rate	5.1	5.1	5.3	—	—
Rate (Sea. Adj.)***	5.3	5.1	5.5	—	—
Total Employment	1627.7	1611.3	1624.3	+16.4	+3.4

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

	NONAGRICULTURAL WAGE AND SALARY				
TOTAL WAGE AND SALARY	1508.9	1506.2	1462.2	+2.7	+46.7
Manufacturing	187.5	187.5	187.8	+0.0	-0.3
Durable Goods	142.1	141.9	142.8	+0.2	-0.7
Stone, Clay, and Glass	7.4	7.4	7.1	+0.0	+0.3
Primary and Fabricated Metals	15.6	15.7	15.2	-0.1	+0.4
Primary Metals	7.7	7.8	7.6	-0.1	+0.1
Fabricated Metals	7.9	7.9	7.6	+0.0	+0.3
Machinery	58.8	58.9	61.5	-0.1	-2.7
Other Durable Goods	60.3	59.9	59.0	+0.4	+1.3
Aircraft and Missiles	26.9	26.6	26.4	+0.3	+0.5
Lumber and Wood Products (Excluding Furniture)	7.6	7.6	7.3	+0.0	+0.3
Nondurable Goods	45.4	45.6	45.0	-0.2	+0.4
Food and Kindred Products	9.8	9.7	9.0	+0.1	+0.8
Printing and Publishing	16.8	16.8	16.9	+0.0	-0.1
Mining and Quarrying	12.7	12.7	12.1	+0.0	+0.6
Copper Mining	9.7	9.7	9.3	+0.0	+0.4
Construction	81.8	81.3	84.7	+0.5	-2.9
Trans., Communications, & Public Utilities	80.7	80.1	76.2	+0.6	+4.5
Transportation	44.4	44.1	40.0	+0.3	+4.4
Communications and Public Utilities	36.3	36.0	36.2	+0.3	+0.1
Trade	377.0	377.2	363.9	-0.2	+13.1
Wholesale Trade	78.4	78.5	74.2	-0.1	+4.2
Retail Trade	298.6	298.7	289.7	-0.1	+8.9
General Merchandise and Apparel	45.0	45.3	43.7	-0.3	+1.3
Food Stores	48.9	49.2	48.2	-0.3	+0.7
Automotive and Service Stations	35.6	35.3	35.1	+0.3	+0.5
Eating and Drinking Places	107.7	107.5	104.1	+0.2	+3.6
Finance, Insurance, and Real Estate	94.2	94.1	92.2	+0.1	+2.0
Services and Miscellaneous	410.2	408.6	388.8	+1.6	+21.4
Hotels and Lodging Places	46.6	46.4	43.6	+0.2	+3.0
Business Services	75.8	75.8	73.4	+0.0	+2.4
Health Services	100.6	100.3	95.8	+0.3	+4.8
Government	264.8	264.7	256.5	+0.1	+8.3
Federal	46.3	46.0	44.7	+0.3	+1.6

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Force and Employment

(in thousands)

MARICOPA COUNTY					PIMA COUNTY				
Apr.*	Mar.	Apr.	Amount	Change	Apr.*	Mar.	Apr.	Amount	Change
1990	1990	1989	Mar. -	1989 -	1990	1990	1989	Mar. -	1989 -
			Apr.	1990				Apr.	1990
1063.2	1051.4	1065.6	+11.8	-2.4	314.1	308.0	319.8	+6.1	-5.7
43.9	44.3	46.4	-0.4	-2.5	12.4	12.2	14.8	+0.2	-2.4
4.1	4.2	4.4	—	—	3.9	4.0	4.6	—	—
4.3	4.2	4.5	—	—	4.1	4.0	4.8	—	—
1019.3	1007.1	1019.2	+12.2	+0.1	301.7	295.8	305.0	+5.9	-3.3

ARY EMPLOYMENT BY PLACE OF WORK

994.1	992.9	965.2	+1.2	+28.9	257.6	256.4	252.4	+1.2	+5.2
139.4	139.3	139.0	+0.1	+0.4	26.7	26.7	28.6	+0.0	-1.9
107.0	106.6	106.5	+0.4	+0.5	21.2	21.2	23.1	+0.0	-1.9
4.5	4.5	4.3	+0.0	+0.2					
10.6	10.7	10.4	-0.1	+0.2					
48.6	48.6	50.1	+0.0	-1.5					
43.3	42.8	41.7	+0.5	1.6					
32.4	32.7	32.5	-0.3	-0.1	5.5	5.5	5.5	+0.0	+0.0
6.7	6.6	6.1	+0.1	+0.6					
12.1	12.2	12.2	-0.1	-0.1					
1.0	1.0	0.9	+0.0	+0.1	2.2	2.2	2.2	+0.0	+0.0
54.1	54.1	57.3	+0.0	-3.2	14.6	14.3	14.9	+0.3	-0.3
56.4	55.9	52.8	+0.5	+3.6	9.6	9.5	9.5	+0.1	+0.1
33.4	33.2	29.7	+0.2	+3.7	4.9	4.8	4.8	+0.1	+0.1
23.0	22.7	23.1	+0.3	-0.1	4.7	4.7	4.7	+0.0	+0.0
253.8	254.3	246.3	-0.5	+7.5	60.0	59.7	58.1	+0.3	+1.9
62.3	62.1	59.1	+0.2	+3.2	7.9	7.8	7.6	+0.1	+0.3
191.5	192.2	187.2	-0.7	+4.3	52.1	51.9	50.5	+0.2	+1.6
28.1	28.3	27.7	-0.2	+0.4	6.8	6.8	7.1	+0.0	-0.3
31.3	31.6	30.8	-0.3	+0.5	7.9	8.0	8.1	-0.1	-0.2
22.7	22.4	22.3	+0.3	+0.4	5.7	5.6	5.7	+0.1	+0.0
68.8	69.1	66.8	-0.3	+2.0	20.1	20.0	19.4	+0.1	+0.7
75.8	75.7	74.0	+0.1	+1.8	11.4	11.3	11.4	+0.1	+0.0
277.5	277.0	263.6	+0.5	+13.9	75.6	75.0	71.7	+0.6	+3.9
29.2	29.4	26.9	-0.2	+2.3	7.1	7.1	6.8	+0.0	+0.3
60.9	61.0	59.8	-0.1	+1.1	10.3	10.1	9.7	+0.2	+0.6
65.1	65.0	62.3	+0.1	+2.8	21.9	21.7	20.9	+0.2	+1.0
136.1	135.6	131.3	+0.5	+4.8	57.5	57.7	56.0	-0.2	+1.5

NOTE: Prepared by Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.

**Nonmetropolitan Counties
Labor Force and Employment
April 1990**

	Apache	Cochise	Coco- nino	Gila	Graham	Green- lee	La Paz
CIVILIAN LABOR FORCE*	14,800	36,000	45,450	12,700	7,925	2,850	6,050
Total Unemployment	2,050	2,325	2,675	1,275	575	225	350
Rate	13.9%	6.5%	5.9%	10.0%	7.3%	7.9%	5.8%
Rate (Seas. Adj.)**	16.5%	6.4%	7.2%	10.3%	7.4%	7.9%	6.7%
Total Employment	12,750	33,675	42,775	11,425	7,350	2,625	5,700

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,700	26,600	43,200	11,200	5,100	2,850	3,925
Manufacturing	925	1,225	3,325	1,425	225	25	250
Mining & Quarrying	50	175	300	1,325	0	1,675	75
Construction	575	700	1,775	350	175	100	200
T.C.P.U.	2,150	1,825	3,250	425	175	50	125
Trade	1,875	5,850	9,800	2,575	1,375	225	1,250
F.I.R.E.	450	675	700	300	125	25	100
Services & Misc.	4,625	5,000	11,300	2,100	875	125	1,025
Government	5,050	11,150	12,750	2,700	2,150	625	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	36,125	28,075	38,950	11,925	39,725	56,750
Total Unemployment	2,050	2,775	2,800	1,150	1,800	10,550
Rate	5.7%	9.9%	7.2%	9.6%	4.5%	18.6%
Rate (Seas. Adj.)**	6.0%	11.2%	7.5%	13.3%	4.6%	18.0%
Total Employment	34,075	25,300	36,150	10,775	37,925	46,200

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	26,100	22,325	30,250	11,625	28,200	29,525
Manufacturing	2,525	1,900	3,875	1,150	2,225	2,325
Mining & Quarrying	25	1,200	3,700	0	825	75
Construction	3,200	1,275	650	375	2,400	1,400
T.C.P.U.	1,150	1,650	1,075	750	1,050	1,025
Trade	8,200	4,300	6,100	5,175	7,650	8,800
F.I.R.E.	1,200	425	850	300	950	950
Services & Misc.	6,150	5,400	4,625	1,975	7,100	6,875
Government	3,650	6,175	9,375	1,900	6,000	8,075

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

**Estimated Hours and Earnings of Production
Workers in Selected Industries
Arizona**

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	407.63	420.02	403.27	40.3	41.3	40.9	10.11	10.17	9.86
Aircraft & Missiles	613.36	647.34	604.12	44.0	45.3	44.0	13.94	14.29	13.73
Food & Kindred Prod.	337.33	330.33	340.09	39.5	39.0	40.2	8.54	8.47	8.46
Primary Metals	463.55	497.36	499.87	36.3	38.2	38.6	12.77	13.02	12.95
Machinery	372.10	385.33	393.20	38.4	39.4	40.0	9.69	9.78	9.83
Copper Mining	594.51	589.25	544.00	44.3	43.2	42.7	13.42	13.64	12.74
Construction	430.70	437.92	430.52	36.5	36.8	36.3	11.80	11.90	11.86
Utilities	777.42	743.48	695.97	44.5	43.1	41.6	17.47	17.25	16.73
Retail Trade**	257.73	259.58	254.64	33.0	32.9	33.2	7.81	7.89	7.67
Wholesale Trade	382.14	372.66	372.27	38.6	38.3	38.9	9.90	9.73	9.57

**Estimated Hours and Earnings of Production
Workers in Selected Industries
Maricopa County**

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	427.76	444.94	425.58	40.7	41.7	41.0	10.51	10.67	10.38
Construction	451.28	453.73	447.60	36.6	37.1	36.9	12.33	12.23	12.13
Retail Trade**	270.54	270.21	269.62	33.4	33.4	34.0	8.10	8.09	7.93
Wholesale Trade	402.09	388.24	394.21	39.0	38.1	39.5	10.31	10.19	9.98

**Estimated Hours and Earnings of Production
Workers in Selected Industries
Pima County**

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989	Apr.* 1990	Mar. 1990	Apr. 1989
Manufacturing	343.79	348.80	371.33	35.7	36.6	38.6	9.63	9.53	9.62
Construction	380.88	371.47	397.67	36.0	36.1	37.2	10.58	10.29	10.69
Utilities	593.43	581.15	584.32	39.3	39.4	41.5	15.10	14.75	14.08

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs April 1990

<u>County</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate</u>
Statewide	1,714,584	1,627,688	86,896	5.1%
Apache	14,808	12,749	2,059	13.9
Cochise	35,977	33,654	2,313	6.4
Coconino	45,435	42,767	2,668	5.9
Gila	12,698	11,421	1,277	10.1
Graham	7,910	7,342	568	7.2
Greenlee	2,848	2,630	218	7.7
La Paz	6,067	5,706	361	6.0
Maricopa	1,063,208	1,019,322	43,886	4.1
Mohave	36,124	34,072	2,052	5.7
Navajo	28,077	25,304	2,773	9.9
Pima	314,081	301,660	12,421	4.0
Pinal	38,960	36,155	2,805	7.2
Santa Cruz	11,927	10,778	1,149	9.6
Yavapai	39,724	37,924	1,800	4.5
Yuma	56,742	46,195	10,547	18.6

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in April

(Continued from page 9)

Employment in trade decreased by 200 in a month in which gains of 1,000 are normal. With the exception of the automotive trade and eating and drinking places, which had normal increases of 300 and 200, respectively, all subindustries had declines in employment. Wholesale trade dropped 100, department stores slid 300, and food stores shrunk 300. It is worth noting that it appears the grocery store wars continued with chains paring personnel in attempts to attain low-cost leadership.

FIRE gained 100 of its normal increase of 500 jobs in April. There has been talk of a possible fire sale by the Resolution Trust Corp., which may boost employment in the short term, but at the expense of many property holders that have seen their home and building values plummet.

Services gained 1,600 in April, half of its normal April gain. Hotels increased 200, health services jumped 300, and business services remained at previous levels. Although the April figures seem bothersome, services has created 21,400 jobs since April 1989, or 1,900 less than the eight-year running average.

Government added 100 in April, 500 under normal growth. Federal government increased 300, including some of the expected census workers.

In review, April was uneventful at best. TCPU experienced healthy employment gains, but trade and services had a second month of weakness. Perhaps services is at last feeling the ripple effect of the long-term weakness in construction and a flat manufacturing sector.

—Marc A. Marra,
RA Economist

INS Enforcement in State Appears to Follow Regional Pattern

(Continued from page 8)

with warning notices and 3,600 ended in compliance.

One area where Arizona appears to have done surprisingly well in terms of employer sanctions is in the area of discrimination, according to recent statistics, as well as several officials and two immigration attorneys.

As the GAO report, *Employer Sanctions and the Question of Discrimination*, points out, due to the threat of sanctions for hiring illegal aliens, many employers began a pattern of discrimination against foreign-looking or foreign-sounding aliens and U.S. citizens and in areas where there was a higher percentage of Hispanics and Asians (See "Reports Give ...," page 2).

While through mid-June of this year Arizona had the seventh highest number of complaints (18) to the Office of Special Counsel (OSC), it was far below the top states — California (404), Texas (135), New York (91), Illinois (91) — and was a reasonable total considering that Hispanics — primarily the groups discriminated against because of IRCA — make up more than 16 percent of the state's population.

Stark and Zada Edgar-Soto, chair of the Immigration Section of the State Bar of Arizona, say they have not heard of many problems regarding discrimination in the state due to employer sanctions. "We have not seen widespread discrimination or we certainly would have filed appropriate discrimination lawsuits," Edgar-Soto says.

"We have not seen widespread discrimination or we certainly would have filed appropriate discrimination lawsuits."

**—Zada Edgar-Soto,
Chair, Immigration Section,
State Bar of Arizona**

Meanwhile, Kane and Weaver also say they are aware of only a couple of cases of alleged discrimination relating to IRCA. "We haven't heard about it from businesses or reports," Kane says.

Stark says, however, she has noticed one area where there may be some "inadvertent" discrimination occurring by companies advertising in newspapers that applicants be U.S. citizens. As a general rule, immigration officials say that the only jobs that employers can discriminate by citizenship is those involving security risks, such as jobs involving the Defense Department.

In addition, a Border Patrol agent in Tucson, Herb Routebush, says there may be instances where businesses are discriminating by not applying the same hiring standards to all applicants regarding the immigration law. An example, Routebush says, would be where employers require some individuals — usually someone who looks or sounds foreign — to show identification or fill out I-9s before being hired and not others.

Finally, the fact that officials in Arizona are not aware of a major problem of discrimination due to IRCA, doesn't mean it's not occurring, says Stark. One problem with determining if there is discrimination, she says, is that many aliens "are not feisty enough to file lawsuits. They're so used to being discriminated against."

1. Job Bank Wages, 1986, 1987, 1988, and 1989, Arizona Department of Economic Security, Research Administration.

**—Brent Fine
Arizona LMI Newsletter Editor**

Sanctions Partially Effective in Limiting Illegal Immigration, Study Shows

(Continued from page 7)

The RAND/Urban Institute report was released as Congress debates ending or modifying employer sanctions, which the General Accounting Office says have caused extensive discrimination against U.S. citizens and legal residents who, based on their looks, employers believe are from foreign countries.

The results of the RAND/Urban Institute report differs dramatically from an Urban Institute report released last July that said sanctions have had a major effect on stemming the tide of undocumented workers.

Some of the information used in this article was taken from Immigration Policy & Law, a bi-weekly newsletter on immigration events in government, courts and the workplace. The newsletter is published by Buraff Publications ©1990.

Business Productivity Dropped in First Quarter, BLS Reports

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

Productivity for the first quarter of 1989, as measured by output per hour of all persons, showed declines in the business sector, the first quarterly decline since an identical reduction occurred in the second quarter of 1988. In the fourth quarter of 1989, business productivity had increased 0.4 percent.

The Department of Labor's Bureau of Labor Statistics (BLS) reported in early June the seasonally adjusted annual rates of productivity were: business sector, -2.1 percent; nonfarm business sector, -2.7 percent; manufacturing, +4.9 percent; durable goods manufacturing, +4.6 percent; and nondurable goods manufacturing, +5.5 percent.

For business and nonfarm business, the revised productivity and output measures showed greater declines than had been reported on May 7, based on preliminary information available that time. On the other hand, productivity grew more rapidly in manufacturing than had previously been reported. The revisions mainly reflect changes in measures of output growth during the first three months of 1990.

Productivity measures used by BLS, which describe the relationship between real output and the labor time involved in its production, show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skills; and the characteristics and effort of the work force.

Program Aids Displaced Construction Workers

North Dakota is nearing completion of an experimental program to retrain 500 dislocated construction and building-trade workers. Job Service North Dakota, which received a \$750,000 grant from the U.S. Department of Labor, worked with the state AFL-CIO in administering the program, which involved contracting with providers, registering participants and keeping records of program activity. The North Dakota program includes: short-term (one to three weeks) skill training, intensive skill updating (e.g., welding), and long-term (six weeks to 2 years) classroom or on-the-job retraining for a new company. Like Arizona, North Dakota's construction industry has been in a recession, forcing workers with years of experience in one occupation to adapt to a shifting economy.

NEWS IN BRIEF

Workers 'Do' About \$7 a Week on Lunch

The amount an average wage earner spends on lunches out of the office is determined by a worker's wallet size, not belt size, according to an article in the May issue of *American Demographics* magazine. Using data compiled from the BLS Consumer Expenditure Survey, the magazine says the typical wage earner spends \$6.79 a week (\$338 a year) on lunches away from the home, while the average for workers with \$50,000-plus incomes is \$8.48 a week (\$441 a year). Higher income also increases the frequency of eating out, the magazine reports.

Prescott Rated One of Best Places in West

The May issue of *American Demographics* also has a list of the 40 top-rated "micropolitan areas" in the country from the recently published book, "The Rating Guide to Life in America's Small Cities." A micropolitan area is a city with a least 15,000 people in counties with population of 40,000 that are not part of a metropolitan area.

Prescott was the only Arizona city to be rated in the top 40 of 219 micropolitan areas, ranking 10th in the West region. Other regions included Northeast, Midwest, and South. Cities were scored higher for their proximity to regional shopping, sports, and art facilities, as well as newer housing, educational opportunities, economy, diversions, and public safety. San Luis Obispo-Atascadero, Calif., was rated highest in the West and the entire country.

In 1989, the author of the book, G. Scott Thomas, who coined the term micropolitan area, listed several Arizona cities tops among other micropolitan areas in categories such as population growth (Bullhead City-Lake Havasu City, 2nd), older population (Prescott, 2nd; Bullhead City-Lake Havasu City, 4th), younger population (Flagstaff, 8th), and "most educated." (Flagstaff, 11th).

"The Rating Guide to Life in America's Small Cities" is published by Prometheus Books in Buffalo, N.Y.

Top 'Micro' Areas In West

Rank	Area
1	San Luis Obispo-Atascadero, Calif.
2	Corvallis, Ore.
3	Fairbanks, Alaska
4	Wenatchee, Wash.
5	Port Angeles, Wash.
6	Aberdeen, Wash.
7	Longview, Wash.
8	Carson City, Nev.
9	Pullman, Wash.
10	Prescott, Ariz.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — A California maker of hoists for pickup trucks has decided to pick up and move its plant from Van Nuys (a suburb of Los Angeles) to Phoenix. About 15 jobs will be created by the move of **Uni-Hoist International Inc.** to a building at 2012 W. Lone Cactus, where the company plans to invest \$200,000 for equipment and development of products.



Birmingham Steel Corp. has announced plans to build a "mini steel mill" 50 miles west of Phoenix near the Palo Verde nuclear generating plant. The \$100 million facility is expected to employ around 300 people and pay an average salary of \$32,000. Birmingham runs only non-union steel mills. Some opposition to the steel plant has arisen because of low utility rates offered by Arizona Public Service Co. to lure the Alabama-based company.

SERVICES — The opening of three new casinos and the expansion of another is expected to bring an estimated **12,000 jobs to Laughlin, Nev.,** this year — more than doubling the current work force — reports a Chamber of Commerce publication in Bullhead City, which lies across the Colorado River from the booming resort. The opening of the Flamingo Hilton, Emerald River Resort, and the Paradise Bay Hotel and Casino, along with the expansion of Sam's Town will

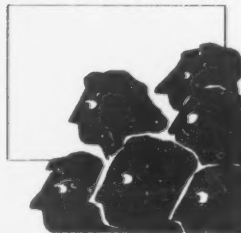


more than double the current estimated work force of 10,000 (which primarily lives in Bullhead City), the publication says. But there's more. Several existing resorts plan to expand in 1991 and 1992, and five new resorts are in the planning stages, the newsletter reports.

Scottsdale-based **Kroy Inc.**, which designs, manufactures and sells lettering and labeling equipment, has filed for bankruptcy as part of a plan to reorganize and pay off debts. No information is available on how the bankruptcy filing will

affect employment.

TRADE — **Smith's Food and Drug Center** has finalized plans for a 1 million-square-foot distribution center and regional office in Tolleson, on 180 acres near 99th Avenue and Buckeye Road. Smith's, which is based in Salt Lake City, expects the \$70 million facility to create 500 to 600 jobs when it opens in September 1991. No construction schedule has been set for the distribution center,



which will service Smith's grocery stores in Arizona, California, New Mexico, and Texas. Meanwhile, in a related item Smith's has set October for opening of a **76,000-square-foot store in Yuma**, at 24th Street and 4th Avenue, that will employ about 200. Applications for work will be accepted about 45 days before the store opens.

While Smith's is looking to the future, Phoenix' largest supermarket chain isn't sitting idly by as **Smitty's Super Value Inc.** plans to spend \$20 million for renovation and expansion of Smitty's grocery stores in Phoenix and Tucson. Smitty's, which was up for sale when the grocery wars began in the Phoenix area last November, is no longer up for grabs and 17 of the chain's stores will now be remodeled, and four new locations are planned — two in Phoenix and two in Tucson — by the end of the year. The Tucson stores will be the first for Smitty's outside of the Valley, and other locations in the state are being explored.

Fiesta Mall in Mesa is trying to land a high-end retailer, such as a Nordstrom, Macy's or Saks Fifth Avenue, for an addition to the mall that will also include an added 60,000 square feet of retail space and a parking deck.

Four former employees have bought **19 Carl's Jr. Restaurant** franchises as part of a restructuring effort by the fast-food chain. Nine of the company-owned stores in Arizona have closed, but the Anaheim, Calif.-based company expects to have 37 stores in Arizona when it completes the reorganization.

Undersea World of America, an Australian-owned company, will open a \$10 million aquarium as part of the **Scottsdale Galleria**, a \$115 million shopping center being constructed at Fifth Avenue and Scottsdale Road in Scottsdale. The aquarium will feature a 1 million gallon tank with more than 100 varieties of fish. The Galleria, expected to open next March, will have retail shops, restaurants and a cinema complex.

Saba's Western plans to add three more stores — two in the

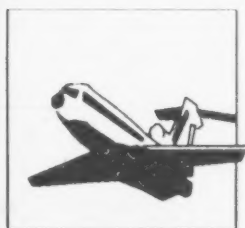
(Continued on page 18)

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Valley and one in northern Arizona — to the eight locations it has in the state. Saba's features western wear for men, women, and children.

The former owner of a chain of movie theaters in the Valley, Bill Blair, has opened the first of a planned eight to 10 yogurt stores in Arizona, called TCBY — The Country's Best Yogurt. Blair's first store, at 32nd Street and Camelback Road, opened June 1 and the TCBY franchisee plans to open another in Phoenix and one in Prescott by the end of the month.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Phoenix was selected over several western U.S. cities for the regional headquarters of



Metagram America Inc., which sells message pagers. As many as 700 people may eventually be employed at the company's 29,000-square-foot office at the Point South Mountain Corporate Center, 8222 S. 48th St. Employees — primarily in sales and customer-service jobs — were

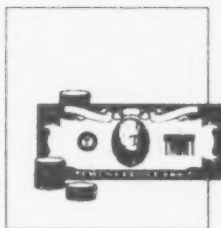
expected to begin work in mid-June. Metagram America is a division of Millicom Inc. of New York City, an international communications company that provides a digital-page service to 43,000 customers.

Continental Airlines is considering Tucson and Phoenix, among 13 cities, for an aircraft maintenance center and engine-overall facility that could employ up to 5,000 people and have annual payroll of \$185 million. Continental would need about 200 acres for the facilities, which would accommodate planes as large as Boeing 747s and be ready for occupancy by 1993. Tucson may have an edge in the bidding because several large aircraft rehabilitation centers are located in the Old Pueblo.

After agreeing to become a commuter airline for USAir starting July 15, Phoenix-based StatesWest Airlines announced plans to buy 18 Beech 1900 aircraft and increase employment by 1,000 over the next 18 months. StatesWest, which will spend \$130 million on expansion, will shuttle Arizona and California passengers to USAir.

FINANCE, INSURANCE AND REAL ESTATE — BankAmerica Corp., the third largest bank holding company in the nation, has acquired Western Savings and Loan Association, the state's largest thrift. BankAmerica, with assets of \$98 billion, paid \$81.2 million for the 60-year-old Western, which posted losses of \$200 million in 1988 and \$100 million in the first quarter of '89, before being taken over by the Resolution Trust Corp. BankAmerica says it's unsure how

many of Western's 1,500 employees, almost all in Maricopa County, will be retained.



American Express Travel Related Services plans to build its fifth building — four stories, 171,000 square feet — at a business park on 31st Avenue near Beardsley Road. American Express says it needs the additional

room to consolidate its operations and allow for growth of its work force of 6,500 in the Phoenix metropolitan area. The company has added 500 to 600 employees a year the past four or five years.

CONSTRUCTION — The Arizona Transportation Board has awarded more than \$36 million for 14 road projects in



nine counties, including \$23 million to Wheeler Construction Co. for the building of the second phase of the Agua Fria Freeway in Maricopa County. Among other winning bids are: Pulice Construction Inc. (Estrella Freeway, Maricopa County); Nielsons Inc. (I-40 resurfacing, Apache County); The Tanner Companies (I-40

resurfacing, Navajo County); JWJ Contracting Co. (I-40 bridge, Coconino County); C.S. McCrossan Inc. (U.S. 666 resurfacing, Greenelee County); and Nesbitt Contracting Co. Inc. (S.R. 260 bridge widening, Gila County).

Construction is under way on Wal-Mart and Albertson's stores at 83rd and Peoria avenues on land that was recently purchased by Genevieve Holdings of Arizona Limited. The Wal-Mart will have 110,000 square feet of space, while the Albertson's will have nearly 63,000 square feet. The project is scheduled to be completed by mid-November.

Thirteen auto-emission test sites are under construction on one- and two-acre locations in Pima and Maricopa counties. The sites, which will cost \$12 million, will be run by Gordon Darby Inc. of Louisville, Ky., and are expected to be completed by October. Gordon Darby won a contract to do auto-emission testing for the state, beating out previous contractor, Hamilton Test Systems of Tucson.

Grossman Co. Properties has announced it will build a regional shopping mall and power center on a 128-acre site in Tempe, at Priest Drive and the Superstition Freeway. The building of the 300,000- to 400,000-square-foot power center and 700,000- to 1-million-square-foot mall was contingent on an agreement by Grossman to provide infrastructure im-

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provements in exchange for a \$15 million reimbursement by the city of Tempe. The power center is scheduled to open in 1991, followed four years later by the mall.



employees 7,600 people and contributes nearly \$700 million to the Tucson economy, was recently mentioned as a back-up site to be dismantled as part of the Pentagon's efforts to cut costs. The base was mentioned as a target because its primary function revolves around the A-10 anti-tank jets, which are being phased out. Officials have suggested other uses for the base, such as desert training and involvement in the war on drugs.

MISCELLANEOUS — Arizona will have the **second-fastest growth in jobs** — behind Nevada — during the 1990s, according to the U.S. Commerce Department's Bureau of Economic Analysis. Employment is expected to increase in the Grand Canyon State 26.7 percent to 2.3 million by the end of the year 2,000; Nevada is projected to have job growth of 31.5 percent. Arizona's personal income is expected to grow 40.6 percent during this period.

By a slim majority, 366 to 332, employees at Scottsdale Memorial Hospital (SMH) have rejected a proposal to form a union. A plan to form a bargaining unit for all SMH employees came about when the hospital reduced employee benefits last year and the United Nurses Association of California requested to represent unhappy SMH workers.

In order to bring together economic development activities in Pima County, the **Tucson Economic Development Corp. (TEDC)** is ceasing operation July 1, and all business development efforts will be handled by the Greater Tucson Economic Council. In its 12-year existence, TEDC was responsible for attracting more than 100 companies that led to employment — directly or indirectly — of 22,000 people in Pima County. One of TEDC's recent plums was bringing an American Airlines' reservations center to Tucson.

The U.S. Department of Labor has assessed fines of **\$55,000 to nine Phoenix-area employers** for alleged violations of the national child labor law. The fines, which stem from a March crackdown in Phoenix and Tucson, were primarily for employing 14- and 15-year-olds more than 18 hours in a five-day school week and for letting workers under 18 deliver products.

LMI Publications— Hot Off the Press

The following revised publications prepared by the Department of Economic Security (DES), Research Administration, can be ordered by writing to the address on the back of this newsletter or by calling (602) 542-3871. One copy of each publication will be sent at no charge. Multiple copies are available at a nominal charge. DES offices can order directly from DES Supply.

- 1990-91 edition of the *Annual Planning Information (API) Guide* (PAL-327) — Contains economic data projections for population and labor force, as well as poverty/welfare estimates for each county in the state. Data are also included on veterans, offenders, Unemployment Insurance recipients, and other groups, and is broken down by age, sex, race, and Hispanic ethnicity. The guide can be used for program planning and evaluation, resource allocation, job development, and vocational counseling.
- *1989 Employer Wage Survey* (PALs 331, 336, 338, 341) — Four separate publications covering small and large companies in Pima and Maricopa counties that list the hourly low, high, and average wage paid in various occupations. For these surveys, small employers are companies with 100 or fewer workers; large employers have 300 or more employees.
- *1989 Job Bank Wages* (PAL-379) — Occupations and respective hourly wages (low, average, high) that were offered in 1989 through the Department of Economic Security's Job Service. Data is organized by county and for selected cities and towns.
- *Affirmative Action Planning Information* (PAL 345-346) — Two annual publications covering metropolitan and rural areas that contain estimates of population and labor force characteristics by sex, race, and Hispanic ethnicity. This year's issue includes the addition of the 1987 federal EEO survey reports for Arizona, Phoenix, and Tucson.
- *Occupational Forecasts* (PAL-363 to PAL-377A) — Annual publications for each county and the state that detail current and expected demand for more than 600 occupations. The 1990 editions included employment projections for 1990, 1991, and 1995, as well as total job opportunities (job growth plus replacements).

1. Available Aug. 1, 1990

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

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U.S. POSTAL SERVICE INDEX
CONGRESSIONAL INFORMATION
1520 EAST-NORTH HIGHWAY SUITE 300
MIDLESEX, MI 48815

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